

O-375-10

In the matter of UK Trade Mark Application No. 2468271 LA SUGAR
(device) in the name of
L.A. SUGAR LIMITED (The Applicant)

and

Opposition No. 96404 thereto by BACK BEAT INC (The Respondent)

and

In the matter of an Appeal to the Appointed Person by The Applicant
against the Decision of the Hearing Officer on behalf of the
Comptroller General dated 17 November 2009

DECISION

1. L.A. Sugar (UK) Limited (“the Applicant”) has applied to register a device mark which is set out below.



As can be seen, it comprises the words L.A. SUGAR together with a device comprising seven small squares. The whole is contained inside a dark square. It is applied for in relation to “women’s clothing; men’s clothing” in class 25.

2. The mark is opposed by Back Beat Inc. (“the Opponent”) on the basis of their own Community Trade Mark registered in respect of a number of goods in classes 18 and 25. The class 25 goods include items of clothing suitable for both men and women. The Community Trade Mark is a word mark comprising the following words

26 RED SUGAR

3. The opposition was made under sections 5(2), 5(3) and 5(4)(a). The Hearing Officer rejected the opposition under sections 5(3) and 5(4)(a) on the basis that the opponent had failed to prove any reputation in the United Kingdom at the relevant date being the date of application for the mark in issue (2 October 2007). The opponent does not challenge this finding by way of Respondent’s Notice.
4. The Hearing Officer found for the opponent under s5(2), holding that there was a likelihood of confusion in the field of clothing between the mark

applied for and the mark 26 RED SUGAR.

5. This finding is the subject of the appeal before me. The decision of the Hearing Officer was made on the papers, neither party having requested a hearing, although she had the benefit of written submissions from the opponent. I did have the benefit of a hearing, although only the applicant was represented before me, the opponent having filed written submissions supporting the decision of the Hearing Officer.

6. The applicant did not dispute that the Hearing Officer correctly set out the principles of law which apply to the comparison of marks when one is concerned with the question of likelihood of confusion. The general principles which emerge from the ECJ cases are set out in paragraph 14 of her decision following the usual formula nowadays adopted by Hearing Officers. However, the Hearing Officer in this case also went further and cited a number of cases which deal with so-called “composite” trade marks comprising a number of different elements, where the similarity between the marks in issue lies only in one part of the whole of one or both of them. In particular she cited two decisions of Geoffrey Hobbs QC as an Appointed Person, Royal Berkshire Polo Club [2001] RPC 32 and Cardinal Place BL O/339/04, In the former, Mr Hobbs noted that the “message” of the mark “ROYAL BERKSHIRE POLO CLUB” came from the words in combination,

which was not captured by the word “Polo” alone. In the latter, he noted how the “perceptions and recollections” triggered by a mark may be powerfully altered by changing one element of it. There, the mark in question was CARDINAL PLACE, opposed on the basis of a device mark primarily comprising the word CARDINAL. As he pointed out, the impact of the earlier mark was ecclesiastical, but the later mark was locational. The word “PLACE” in the later mark was therefore so significant to its distinctive character as to prevent any likelihood of confusion.

7. The Hearing Officer went on to cite three further decisions of the ECJ, T-22/04 (“WESTLIFE”), SHAKER DI LAUDATO and MEDION. These essentially repeat the familiar theme that exercises in comparison must be approached by reference to the marks as a whole, rather than by breaking them down into their component parts, save where a mark is dominated by some particular element such that the other elements are of negligible significance.
8. The Hearing Officer did not conclude that there would be any direct confusion between the marks. In other words she found that the average consumer would have no difficulty in distinguishing the marks and would not mistake one for the other. However, she found that there would be “indirect confusion” whereby the average consumer would think that a mark

comprising a device in which the words L.A. SUGAR were predominant denoted clothing from the same economic entity responsible for 26 RED SUGAR (or an economically linked entity).

9. Although she does not explain the precise nature of this projected confusion, I apprehend that she was referring to an understanding that L.A. SUGAR was some kind of “brand extension” of 26 RED SUGAR, intended to indicate (for example) an alternative clothing range from the same producer.

10. It is apparent from the decision of the Hearing Officer that she was heavily influenced in this finding by her view that that the elements “26” and “RED” within the trade mark 26 RED SUGAR were essentially descriptive and played no real part in the distinctive character of the mark. Her reasoning in paragraph 36 of the decision was as follows:

“Given the specification of goods, the number 26 and word RED appearing in the mark could refer to the size and colour of particular items and are not therefore distinctive of themselves and add little in combination to the mark as a whole: emphasis is focused on the word SUGAR”.

11. I have to say that I consider this analysis to be wholly unrealistic when one considers how the average consumer can be expected to see the mark in

normal and fair use. It also falls into the trap of dividing the mark up into its constituent parts rather than dealing with it as a coherent whole.

12. To my mind, the elements 26 and RED are extremely significant and play a critical role in establishing the distinctive character of the mark as a whole. This distinctive character lies in the quirky, illogical and surreal conjunction of its three elements – whilst SUGAR conveys the idea of sweetness, there is no obvious connection between SUGAR and the colour RED (as opposed to white or brown) or the number 26. Furthermore, the conjunction of the number 26 with the word SUGAR used in the singular is dissonant and striking.

13. Assuming a normal and fair use of this mark, for instance on a clothing label or in an advertisement for clothing, there is no reason to believe that the average consumer (or indeed any consumer) would understand that the words 26 and RED had some descriptive meaning, even if the mark was being used in relation to an item of clothing which happened to be red or happened to be a size 26 (which I understand to be a rare size in any event). One would not expect to find information about the colour or size of clothing in a brand name. Indeed the whole idea is somewhat bizarre: if this were the intention, the brand owner would either have to limit itself to selling red clothes in size 26, or would have to adopt a different brand for every particular colour and

size of the clothing within its range.

14. In my view therefore, the question of likelihood of confusion must be approached on the basis that the distinctive character of the earlier mark lies in the striking and unusual combination of all three words.

15. In those circumstances, is there any likelihood of indirect confusion as found by the hearing officer? In my view there is not.

16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: *“The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark”*.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).

18. The present case falls into none of these familiar categories. Even assuming that the average consumer recognized the common element SUGAR appearing in the two marks, this is not an element which is so striking or distinctive that one would assume that only the owner of 26 RED SUGAR

would be likely to use it in a trade mark for clothing. It is an ordinary English word which in addition to its literal meaning is often used metaphorically to indicate something sweet or desirable and as a term of endearment. The opponents have failed to demonstrate any enhanced distinctiveness acquired through use. Furthermore, the differences between the two marks are not typical of a “brand extension”. The absence of the words 26 and RED which give the earlier mark so much of its impact, combined with the presence of the letters “L.A” (together with the device elements), give rise to a mark which creates a completely different impression. The quirky and dissonant character of the earlier mark is lost, to be replaced with a much more conventional mark conveying the impression simply of something sweet from Los Angeles.

19. For these reasons I have no hesitation in reversing the decision of the Hearing Officer. In my view this is not a case where it can reasonably be said that there is a likelihood of indirect confusion on the part of the average consumer. I therefore dismiss the opposition and direct that the mark should proceed to grant.

20. The Applicant is entitled to its costs of the Opposition and of this hearing, though these are limited because it filed no evidence and no written submissions below. I direct that the Opponent pays the Applicant the total

sum of £1,000 in respect of the drafting of the counterstatement, the grounds of appeal, the submissions and the hearing before me.

IAIN PURVIS QC

THE APPOINTED PERSON

20 OCTOBER 2010